

DOCUMENT RESUME

ED 271 564

CE 044 655

AUTHOR Eadie, Douglas C.; Hammond, Joan A.
TITLE System Building in Chewable Bites: The Application of Strategic Issue Management in Employment and Training. Issue Paper No. 1.
INSTITUTION National Association of Counties, Washington, DC.
SPONS AGENCY Department of Labor, Washington, D.C.
PUB DATE Feb 86
GRANT 99-5-1272-003-02
NOTE 23p.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Employment Programs; Government Role; *Job Training; *Local Government; *Long Range Planning; Management Systems; Postsecondary Education; Systems Approach; *Systems Development
IDENTIFIERS *Job Training Partnership Act 1982; Private Industry Councils; Strategic Issues Management; *Strategic Planning

ABSTRACT

County government has a large stake in the creation of employment and training systems at the local level to insure that Federal, state, and local dollars are spent effectively. The door to the creation of an employment and training system has been opened by the Job Training Partnership Act (JTPA) through the establishment of Private Industry Councils (PICs). These PICs should be given tools to carry out employment and training development through strategic planning. Of the various methods of strategic planning, Strategic Issue Management is the most likely to result in success. It allows for broad environmental scanning to identify strategic issues and detailed scanning and strategy formulation for each issue. By adding to this the requirement that strategic planning address issues that cut across organizational lines, county elected officials, working with their PICs, will be able to move into the realm of system building. County leadership is needed to move PICs in the direction of Strategic Issue Management. Careful attention should be given to having PICs plan their outcomes and to deciding who will be responsible for the various stages of the issue management process. To carry out this process, PICs should conduct an organizational inventory to determine what human resources exist within the community and carefully select the specific issues that they want to address. Issues must be understood in detail, specific change targets must be identified, and implementation plans must be put in place. Strategic Issue Management is a powerful tool to aid county government in the development of a local employment and training system. (KC)

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ED271564

SYSTEM BUILDING IN CHEWABLE BITES:
THE APPLICATION OF
STRATEGIC ISSUE MANAGEMENT
IN EMPLOYMENT AND TRAINING

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Prepared for the
National Association of Counties

February 1986

This report was prepared under a grant from the
United States Department of Labor
#99-5-1272-003-02

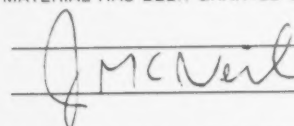
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PREFACE

The National Association of Counties Employment and Training Project, under a grant from the United States Department of Labor (USDOL), is issuing, over the next six weeks, a series of Issue Papers to the employment and training community. These Issue Papers, the first one being "System Building in Chewable Bites: The Application of Strategic Issue Management in Employment and Training", by Douglas C. Eadie and Joan A. Hammond, focus on a wide range of topics, including: performance standards, rural dislocated workers, youth programs, quick turnaround (QT) data, the labor force in the year 2000 and strategic issue management.

These papers do not necessarily represent the views or opinions of the National Association of Counties, the NACo Employment and Training Project or the US Department of Labor. They do represent, however, the opinions and perspectives of their authors.

This series is meant to stimulate discussion within the employment and training community on issues which NACo believes are important to and impact on the future of employment and training in the United States. Therefore, the National Association of Counties welcomes your reactions to and comments on these Issue Papers. Please address your comments to Jerry McNeil, Director, Employment and Training Programs, National Association of Counties, 440 First Street, NW, Washington, DC, 20001. Letters will be published in the future.

EXECUTIVE SUMMARY

Substantial barriers to effective linkages between programs operating under the Job Training Partnership Act (JTPA) and other employment and training programs exist. These barriers exist, in part, because of the lack of national, state and local employment and training systems, despite the presence of national, and in some instances, state legislation mandating linkages and the development of an employment and training system.

County government has a large stake in the creation of employment and training systems at the local level to insure that federal, state and local dollars are spent effectively. The door to the creation of an employment and training system has been opened by JTPA through the establishment of Private Industry Councils (PICs). However, the inertia of entrenched bureaucracies militates against the development of such a system. Nonetheless, county governments concerned with the establishment of employment and training systems can use PICs to carry out that role especially if PICs are given the tools to carry out Strategic Issue Management.

The basic objective of all strategic planning is to achieve a dynamic balance between a planning organization and its environment and is distinguished from conventional long-range planning by its deliberate focus on change and its detailed attention to the external environment. The basic elements of strategic planning and management are: the environmental scan, the identification of issues and the formulation of and implementation of strategies.

Of the various methods of strategic planning, Strategic Issue Management is the most likely to result in success. It allows for broad environmental scanning to identify strategic issues and detailed scanning and strategy formulation for each issue. By adding to this the requirement that strategic planning address issues which cut across organizational lines, county elected officials, working with their PICs, will be able to move into the realm of system building.

County leadership is an important part of this process. Private Industry Councils will not move in the direction of Strategic Issue Management which cuts across organizational lines without the strong, explicit and public encouragement of Local Elected Officials. Local Elected Officials should encourage PICs to define their first-year outcomes very carefully, and should participate in the process by reviewing and approving the outcomes. Careful consideration should be given to who will be responsible for the various stages of the issue management process, who will staff this effort and what the work plan shall look like.

To carry out this process, PICs should conduct an organizational inventory to determine what human resources exist within the community and carefully select the specific issues which it wants to address. Issues must be understood in detail, specific change targets must be identified and implementation plans must be put in place.

Strategic Issue Management is a powerful tool to aid county government in the development of a local employment and training system. Though it is not a glamorous process, it is a very functional tool which can aid county government in obtaining substantial success toward developing an employment and training system.

SYSTEM BUILDING IN CHEWABLE BITES:
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THE SYSTEM BUILDING CHALLENGE

Despite growing evidence that a trained workforce is a major incentive for business expansion and location, the contribution of employment and training to economic development is still questioned in many circles. And practical examples of successful economic and human resource linkages are still quite rare.

One of the greatest barriers to effective linkages is the absence of an employment and training system in the strict sense of that word at any level of government. What we have are systems aplenty operating relatively independently of each other: Vocational Education; the Job Training Partnership Act; the Employment Service; Unemployment Compensation; community and technical college programs; to name some of the more prominent. The twain, indeed, do not meet in this complex and often turbulent environment. For all of the rhetoric about partnership building and joint planning, employment and training system building is still at a rudimentary stage of development.

Several pieces of legislation channel employment and training funds through several state and local bureaucracies with their own governance, administrative, and service delivery mechanisms. The most experienced employment and

training professional can become confused by the map of this terrain; business volunteers all too often give up in frustration.

The County Government Perspective

County Government has a large stake in the creation of employment and training systems at the local level that are characterized by considerable coordination and cooperation and by comprehensive planning and programmatic cohesion. Only through the creation of such systems can counties assure that the substantial federal, state and local dollars being invested in local employment and training activities yield a fair return.

This article is intended to provide county elected officials and senior managers with practical guidance in utilizing a powerful tool for employment and training system-building - Strategic Issue Management. Our counsel to County Governments committed to building more effective employment and training systems is shaped by three basic assumptions:

- o First, that significant progress can be made in the near-term in welding together more effective employment and training systems.
- o Second, that such progress need not depend on large-scale restructuring of local employment and training systems. Indeed, Strategic Issue Management is an incremental approach which, in our opinion, has a greater likelihood of success than more grandiose approaches.

- o And third, that the Private Industry Councils established by the Job Training Partnership Act provide County Government with excellent vehicles for the application of Strategic Issue Management.

The Promise of the Job Training Partnership Act

Although the Job Training Partnership Act does depart programmatically from its predecessor CETA in its greater emphasis on training and long-term employment, its most enduring innovation is structural. By mandating broadly representative State Job Councils and local Private Industry Councils - which work in partnership with Local Elected Officials - to go beyond management of JTPA into the realm of system-wide planning, the door to inter-agency and inter-program coordination and cooperation has been opened wider than ever before.

The door to system-wide planning and management is just an opening - an opportunity. Those who choose to pass through find a rough road ahead. In the first place, the systems are firmly entrenched. As Ohio's Governor Celeste observed to the Ohio Job Council:

If you intend to engage in fundamental reform of the employment and training system, you and your allies will find yourselves storming some formidable barricades of tradition, bureaucratic self-preservation, and constituency self-interest. The several employment and training fiefdoms are naturally guarded with zeal by those whose careers have grown with them.

County Governments intending to use Private Industry Councils as vehicles for building inter-system linkages

through the application of Strategic Issue Management should keep in mind not only the foregoing barriers, but the fact that many Private Industry Council members are often handicapped by a lack of experience in strategic planning, by the pressures of JTPA implementation, and by inadequate staff support.

A Look At Strategic Planning and Management

The techniques of strategic planning and management were developed in the business sector originally in response to accelerating environmental change that was catching major American corporations off guard. Traditional long-range planning techniques - based on considerable environmental stability and reliable trends - proved inadequate as social, cultural, technological and other changes proved less and less predictable.

The basic objective of strategic planning is to achieve a dynamic balance between a planning organization and its environment, such that the organization's resources are put to the fullest feasible use in capitalizing on environmental opportunities and coping with threats. Strategies are courses of action intended to achieve and maintain this balance. They come in all shapes and sizes, from very broad directions to highly detailed action plans.

Strategic planning can be distinguished from conventional long-range planning by its deliberate focus on

change and its detailed attention to the external environment. By contrast, operational planning - both long and short range - tends to be inward-looking and focused on the refinement of existing programs and management.

The basic elements of strategic planning and management are:

- o The environmental scan, which involves the collection of pertinent economic, social, demographic, political, technological and other information, the identification of trends, and the analysis of implications for the organization's current strategies.
- o The identification of issues - problems and opportunities - which appear to demand attention now in order to avoid unacceptable costs in the future (including the value of opportunities lost).
- o The formulation of strategies to address the issues. Such strategies consist of changes in (1) targets or objectives and (2) implementation strategies. In selecting strategic targets, organizations must explicitly take into account their strengths and weaknesses in terms of people, technology, and finance.
- o The implementation of strategies, which involves a structure and process for monitoring implementation and revising strategies as circumstances warrant.

The Strategic Issue Management Variation

Strategic planning and management techniques can result in a variety of outcomes. For example, what might be called the "global blueprint" or "setting a vision" approach uses the techniques in a sweeping community-wide fashion to set broad directions. Usually involving considerable citizen

participation, the global blueprint approach seldom involves the formulation and implementation of detailed strategies.

The "anteroom to budget" application, which attempts to integrate the strategic and operational planning processes, comprises what many people think of as strategic planning. Organizational units develop strategies within the umbrella of overall organization strategies, and these "drive" the resource allocation and budgeting process, which is seen as implementing the first year of the strategic plan. The major problem with this "classical" application - at least in the public sector - is that it is tremendously demanding to implement and appears often to degenerate into an elaborate planning ritual, with all of the puffs of steam and sparks but little concrete benefit in terms of organizational performance.

Strategic Issue Management may be thought of as a half-way house. While on the one hand resulting in the formulation and implementation of concrete change strategies, on the other hand it avoids the expense of comprehensive, organization-wide strategic planning of the "anteroom to budget" ilk. It is a peeling of the proverbial onion approach: broad environmental scanning to identify strategic issues, and detailed scanning and strategy formulation for each issue.

The Tie to System Building and Employment and Training

What is the connection between strategic issue management and system-building, and why is the employment and training arena an appropriate candidate for applying the techniques? First, we will define a strategic issue as one which is:

- o Important in the sense that the future cost of not addressing it now is unacceptably high, and
- o Too complex to handle through the annual operational planning/budgeting process.

If, then, we add to the definition the requirement that a strategic issue cuts across organizational lines, we have moved into the realm of system building, albeit incrementally. By formulating cross-cutting strategies to address cross-cutting (inter-organizational) issues, more cohesive systems can be constructed without attempting to create a completely new, unitary system.

The local employment and training environment is fertile ground for applying this special application of strategic planning for two reasons. First, the extreme fragmentation characterizing the employment and training environment militates against any effort to fashion a comprehensive, unitary system. Second, there are any number of cross-cutting issues to be addressed in two broad categories:

- o Issues involving the management of functions such as intake, job development/placement, assessment, labor market information, to name some of the more common ones, and
- o Issues involving such service areas as adult basic skills, youth employment and the displaced worker.

LAUNCHING PRIVATE INDUSTRY COUNCIL STRATEGIC ISSUE MANAGEMENT

A County Government committed to using its local Private Industry Council as a vehicle for the application of Strategic Issue Management in the local employment and training arena is advised to pay attention to:

- (1) broadening the PIC mission;
- (2) reaching agreement on the outcomes of the first-stage PIC planning effort; and
- (3) ensuring that there is a sound structure and work plan in place for the PIC.

Broadening the PIC Mission

It is a given that the mission of a PIC is basically to oversee management of the local JTPA program - in partnership with LEOs - and to make policy decisions as appropriate in carrying out this oversight role. It is not a given, despite legislative encouragement, that LEOs should use PICs as vehicles for system-building beyond JTPA boundaries. Therefore, in light of the very substantial cost, in time and staff support, involved in implementing a Strategic Issue

Management process, an explicit commitment to Strategic Issue Management is required.

County leadership can play a critical role in expanding the mission of the PIC, principally by strong, explicit and public encouragement to the PIC to embrace Strategic Issue Management. This encouragement will take on greater force if offered in league with other local government officials and with the private sector. There is, for example, nothing to prevent a board of county commissioners and county executives from directly lobbying PIC business representatives to play a system-building role. Such encouragement will be more convincing if it is accompanied by a strong county commitment to assist in implementation of the strategic recommendations expected to result from the PIC planning effort.

Identifying Specific Outcomes

In the process of promoting PIC Strategic Issue Management, county leadership will want to encourage the PIC to define its first-year outcomes very carefully. And county leadership will want to review and approve the outcomes. Based on a critical assessment of its resources and the local environment, a Private Industry Council, for example, might decide to limit its first-year outcomes to the identification of cross-cutting issues related to the management of functions, with strategy formulation taking place the second application year.

Putting a Structure and Work Plan in Place

The planning structure identifies the bodies to be responsible for the different stages of the issue management process - issue identification, strategy formulation and strategy implementation. Often, for example, a committee or task force is charged with detailed responsibility for planning, while the Council as a whole plays a confirmation and oversight role. Staff support for the process must also be identified. Ideally, a full-time staff project manager will be appointed.

Finally, a work plan should be developed, setting forth the major milestones in the planning process and specifying accountability for each event. County leadership will want to ensure that the PIC Strategic Issue Management work plan provides for County Government review at appropriate times, particularly when strategic issues are being identified and detailed strategies are being considered. The basic phases of the work plan will be:

- (1) identifying strategic issues;
- (2) formulating strategies; and
- (3) implementing strategies.

IDENTIFYING STRATEGIC ISSUES

Information Collection

The first step in the issue identification process is to gain a detailed understanding of the local employment and training environment in terms of needs and resources, including organizational structures and programs and services. Private Industry Councils already collect considerable information on the local labor market and employment and training needs through their operational planning process. What is often missing is a detailed inventory of the local resources being applied to employment and training needs.

This organizational resource inventory involves, first, the identification of every organization in the SDA engaged in significant activity in the area of employment and training. Then a detailed inventory is developed for each organization, consisting of:

- o Identification of all sources of funding and the legislative authority for each;
- o Description of the governance, planning and administrative processes and mechanisms of the organization;
- o Description of the major programs of the organization, in terms of their goals, services, functions, clients and performance; and
- o Identification and description of the organization's formal linkages with other employment and training organizations - in planning, program development and service delivery.

A valuable scanning technique is to conduct "hearings", at which representatives of employment and training agencies, such as vocational superintendents, community college presidents, and local employment services office managers, describe their organizations' structures and activities and identify what they consider to be major cross-cutting issues.

Issue Selection

Scanning the local employment and training environment - and particularly inventorying local resources - inevitably, will cause to surface a number of cross-cutting issues related to the management and content of employment and training programs. Opportunities to fill service gaps and to improve management and coordination of functions will abound. The real challenge is to select those issues to be addressed in the near-term through detailed strategy formulation and implementation.

Selectivity in the Strategic Issue Management process is mandatory because a Private Industry Council will have limited time and resources to commit to cross-cutting issues, above and beyond the very demanding job of overseeing JTPA management, itself. In developing the "short list" of cross-cutting issues, a PIC will engage in a rough cost-benefit process consisting of two major questions:

- o Is the problem to be tackled or the opportunity to be grasped significant enough to justify attention? In other words, is dealing with the issue likely to yield substantial benefit?

- o Is there a high likelihood of success in applying strategic management techniques to the issue? In other words, is it politically and technically manageable?

Issue selection is no more a scientific process than issue identification. It boils down to people around the table - probably a task force or committee of the PIC - making judgments about the costs and benefits, drawing on the best information they can collect. Without this time consuming deliberation and a commitment to act on imperfect information, no amount of research, no matter how sophisticated, will bear fruit.

FORMULATING AND IMPLEMENTING CROSS-CUTTING STRATEGIES

Let us say that of the many potential cross-cutting issues, a hypothetical PIC has selected two for detailed attention: (1) building closer ties to local economic development efforts; and (2) adult basic skills education. The strategy formulation process involves:

- o Understanding each issue in detail;
- o Setting change targets; and
- o Developing implementation plans.

Understanding the Issues

A much more detailed scan is now prepared for each issue in order to identify specific opportunities and problems toward which to direct change targets. For example, for the

economic development linkage issue, it is important to inventory local economic development strategies, plans, and programs and to map funding streams, governances and administrative mechanisms, and existing linkages with employment and training programs.

For adult basic skills, the at-need populations must be identified, and existing programs inventoried (missions, goals, services, functions, delivery and administrative mechanisms, performance information, etc.). Especially important here is the identification of unmet needs, of overlapping services, and of opportunities for collaboration among service deliverers.

Setting Change Targets

At this stage in the Strategic Issue Management process, the PIC must decide what specific improvements - in service content and management - to tackle within the coming year in each of the two hypothetical issue areas. Once again, a less-than-scientific cost/benefit analysis process is necessary to determine what initiatives are technically and politically feasible and will provide, potentially, the strongest return on the investment of time, money and effort in their implementation.

Targets should be concrete, practical steps whose achievement is measurable. For example, within the economic development linkage issue, aim for the publication of a

detailed guide to local employment and training resources for economic development. An adult basic skills target might be the creation of a consortium (say, JTPA, a joint vocational district, and a community college) to finance and manage a computer-assisted learning center.

Developing Implementation Plans

For the strategic issue management process to have meaning, the PIC must commit to detailed implementation plans for the various initiatives and targets. Such plans will:

- o Set forth a schedule of implementation events;
- o Identify the costs and sources of funding; and
- o Specify accountability for accomplishing each implementation step.

Implementing Cross-Cutting Strategies

The cross-cutting strategic agenda cannot be successfully managed if it is merged with the operational JTPA agenda. The unique political and technical demands of interorganizational strategy require special attention, and such attention is not likely if the different agenda are merged.

County Government leadership will be essential for full implementation of employment and training strategies, in two respects: (1) to ensure that the strategic agenda is kept on the front burner and not submerged in operational detail; and (2) to battle the inevitable countervailing pressures from

threatened programs and bureaucracies. In our opinion, lack of strong local government support for aggressive PIC system building is one of the most important reasons why many PICs have not yet ventured beyond JTPA boundaries in their planning.

A CLOSING WORD

Based on our experience, we are confident that the Strategic Issue Management process is a powerful tool for local employment and training system building. While it lacks the glamour of more comprehensive approaches, such as the "global blueprint", it can enable County Government to tackle the system building challenge in an affordable, manageable fashion - through local Private Industry Councils, a vehicle already in place. In our view, it is better to succeed in building more cohesive employment and training systems step-by-step over a period of years than to fail to implement more grandiose reforms.

ABOUT THE AUTHORS

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Prior to joining the State of Ohio, she was Director of Community Relations for Eagle Savings Association, Cincinnati, Ohio. In that position she was responsible for the company's corporate community responsibility activities. While working in Cincinnati, Ms. Hammond chaired the Cincinnati Private Industry Council, served on the United Way Board of Trustees and on the Executive Committee of the Ohio, Kentucky, Indiana Council of Government.

She is a member of the Board of Directors of the National Association of Private Industry Councils and the National Job Training Partnership, and a member of the Board of Directors and Executive Committee of Partnership Datanet, the successor to the National Task Force on Private Sector Initiatives.